

## Message Text

UNCLASSIFIED

PAGE 01 CARACA 00254 111838Z  
ACTION L-03

INFO OCT-01 ARA-14 ISO-00 H-02 TRSE-00 COME-00 EB-08  
/028 W

-----119499 120320Z /66

R 111551Z JAN 78  
FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC 663

UNCLAS CARACAS 0254

E.O. 11652: N/A  
TAGS: EFIN VE  
SUBJECT: CONGRESSIONAL INQUIRIES: VENEZUELAN INCOME  
TAXATION OF FOREIGN NATIONALS

REF: STATE 3284

1. EMBASSY REPLIED TO CONGRESSMAN FASCELL NOVEMBER 28 WITH  
COPY TO H. COPY OF REPLY POUCHED TODAY ALONG WITH A COPY OF THE  
INCOME TAX LAW AND OTHER PERTINENT DOCUMENTS.

2. GIST OF REPLY WAS THAT VISA REQUIREMENTS AND VENEZUELAN TAX IMPLI-  
CATIONS ARE SPELLED OUT IN GUIDANCE FOR BUSINESS TRAVELLERS SECTION OF  
JULY, 1977 USDOC OVERSEAS BUSINSS REPORTS "MARKETING IN VENEZUELA"  
PAGE 20 (COPY ACCOMPANIED REPLY TO CONGRESSMAN FASCELL). BUSINESS  
TRAVELERS SHOULD HAVE "TRANSEUNTE" VISAS AND ARE NORMALLY SUBJECT TO  
SECURING A "SOLVENCIA" AT INCOME TAX OFFICES PRIOR TO DEPARTURE. THIS  
REGULATION IS LONGSTANDING AND NO NEW LEGATION INVOLVED.

3. WHAT IS NEW IS THE SPORADIC ACTION BY TAX OFFICE OFFICIALS AT THE  
AIRPORT TURNING BACK TRAVELLERS WHO HAVE ENTERED VENEZUELA MORE THAN  
THREE TIMES IN A YEAR ON TOURIST VISAS, REPEAT TOURIST VISAS,  
ON THE RATIONALE THAT THEY WERE NOT BONAFIDE TOURISTS BUT  
OSTENSIBLY BUSINESSMEN. THIS CAUSES INCONVENIENCE BUT DOES  
NOT APPEAR TO BE OBJECTIONABLE ON LEGAL GROUNDS AND, IN FACT,  
PARALLELS US PRACTICE. A SOLUTION TO THIS PROBLEM WOULD BE  
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THE SUCCESSFUL NEGOTIATION OF A BILATERAL TAX TREATY. A  
MODEL TREATY WAS GIVEN TO THE VENEZUELAN MINISTRY OF FINANCE  
FOR ITS CONSIDERATION A MONTH AGO, BUT BASED ON OUR QUERIES  
THERE IS NOT INDICATION THE MINISTRY IS ACCORDING IT ANY  
SPECIAL PRIORITY.

4. SINCE NO NEW TAX MEASURE IS INVOLVED, NO TRANSLATION IS BEING

FURNISHED APART FROM AFOREMENTIONED POUCHED DOCUMENTS. EMBASSY  
BELIEVES REPLY TO CONGRESSMAN FASCELL STILL TO BE CURRENT AND  
COMPREHENSIVE. KEY POINT IS THAT USG CANNOT CONDONE APPARENTLY  
PREVALENT PRACTICE BY TRAVELING SALESMEN, CONSULTANTS, AND  
ENGINEERS OF OBTAINING TOURIST VISAS INORDER TO AVOID  
INCONVENIENCE OR TAX ASSESSMENT.  
VAKY

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALS  
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**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**Disposition History:** n/a  
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**Errors:** N/A  
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**Review Markings:**  
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